

2 **E2SHB 1658** - S COMM AMD

3 By Committee on Natural Resources, Parks & Shorelines

4 ADOPTED 04/11/01

5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. **Sec. 1.** A new section is added to chapter 77.60 RCW
8 to read as follows:

9 (1) The department shall initiate a pilot project to evaluate the
10 feasibility and potential of intensively culturing shellfish on
11 currently nonproductive oyster reserve land in Puget Sound. The pilot
12 program shall include no fewer than three long-term lease agreements
13 with commercial shellfish growers. Except as provided in subsection
14 (4) of this section, revenues from the lease of such lands shall be
15 deposited in the oyster reserve land account created in section 2 of
16 this act.

17 (2) The department shall form one advisory committee each for the
18 Willapa Bay oyster reserve lands and the Puget Sound oyster reserve
19 lands. The advisory committees shall make recommendations on
20 management practices to conserve, protect, and develop oyster reserve
21 lands. The advisory committees may make recommendations regarding the
22 management practices on oyster reserve lands, in particular to ensure
23 that they are managed in a manner that will: (a) Increase revenue
24 through production of high-value shellfish; (b) not be detrimental to
25 the market for shellfish grown on nonreserve lands; and (c) avoid
26 negative impacts to existing shellfish populations. The advisory
27 committees may also make recommendation on the distribution of funds in
28 section 2(2)(a) of this act. The department shall attempt to structure
29 each advisory committee to include equal representation between
30 shellfish growers that participate in reserve sales and shellfish
31 growers that do not.

32 (3) The department shall submit a brief progress report on the
33 status of the pilot programs to the appropriate standing committees of
34 the legislature by January 7, 2003.

35 (4) The department of natural resources, in consultation with the
36 department of fish and wildlife, shall administer the leases for oyster

reserves entered into under this chapter. In administering the leases, the department of natural resources shall exercise its authority under RCW 79.96.090. Vacation of state oyster reserves by the department of fish and wildlife shall not be a requirement for the department of natural resources to lease any oyster reserves under this section. The department of natural resources may recover reasonable costs directly associated with the administration of the leases for oyster reserves entered into under this chapter. All administrative fees collected by the department of natural resources pursuant to this section shall be deposited into the resource management cost account established in RCW 79.64.020. The department of fish and wildlife may not assess charges to recover the costs of consulting with the department of natural resources under this subsection.

(5) The Puget Sound pilot program shall not include the culture of geoduck.

NEW SECTION. **Sec. 2.** A new section is added to chapter 77.60 RCW to read as follows:

(1) The oyster reserve land account is created in the state treasury. All receipts from revenues from the lease of land or sale of shellfish from oyster reserve lands must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only as provided in this section.

(2) Funds in the account shall be used for the purposes provided for in this subsection:

(a) Up to forty percent for the management expenses incurred by the department that are directly attributable to the management of the oyster reserve lands and for the expenses associated with new research and development activities at the Pt. Whitney and Nahcotta shellfish laboratories managed by the department. As used in this subsection, "new research and development activities" includes an emphasis on the control of aquatic nuisance species and burrowing shrimp;

(b) Up to ten percent may be deposited into the state general fund; and

(c) All remaining funds in the account shall be used for the shellfish - on-site sewage grant program established in section 3 of this act.

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 90.71 RCW
2 to read as follows:

3 (1) The action team shall establish a shellfish - on-site sewage
4 grant program in Puget Sound and for Pacific and Grays Harbor counties.
5 The action team shall provide funds to local health jurisdictions to be
6 used as grants to individuals for improving their on-site sewage
7 systems. The grants may be provided only in areas that have the
8 potential to adversely affect water quality in commercial and
9 recreational shellfish growing areas. A recipient of a grant shall
10 enter into an agreement with the appropriate local health jurisdiction
11 to maintain the improved on-site sewage system according to
12 specifications required by the local health jurisdiction. The action
13 team shall work closely with local health jurisdictions and shall
14 endeavor to attain geographic equity between Willapa Bay and the Puget
15 Sound when making funds available under this program. For the purposes
16 of this subsection, "geographic equity" means issuing on-site sewage
17 grants at a level that matches the funds generated from the oyster
18 reserve lands in that area.

19 (2) In the Puget Sound, the action team shall give first priority
20 to areas that are:

21 (a) Identified as "areas of special concern" under WAC 246-272-
22 01001; or

23 (b) Included within a shellfish protection district under chapter
24 90.72 RCW.

25 (3) In Grays Harbor and Pacific counties, the action team shall
26 give first priority to preventing the deterioration of water quality in
27 areas where commercial or recreational shellfish are grown.

28 (4) The action team and each participating local health
29 jurisdiction shall enter into a memorandum of understanding that will
30 establish an applicant income eligibility requirement for individual
31 grant applicants from within the jurisdiction and other mutually
32 agreeable terms and conditions of the grant program.

33 (5) The action team may recover the costs to administer this
34 program not to exceed ten percent of the shellfish - on-site sewage
35 grant program.

36 (6) For the 2001-2003 biennium, the action team may use up to fifty
37 percent of the shellfish - on-site sewage grant program funds for
38 grants to local health jurisdictions to establish areas of special

1 concern under WAC 246-272-01001, or for operation and maintenance
2 programs therein, where commercial and recreational uses are present.

3 **Sec. 4.** RCW 79.96.110 and 2000 c 11 s 30 are each amended to read
4 as follows:

5 (1) In ((~~case the director of~~)) the event that the fish and
6 wildlife commission approves the vacation of the whole or any part of
7 ((~~said~~)) a reserve, the department of natural resources may vacate and
8 offer for lease such parts or all of ((~~said~~)) the reserve as it deems
9 to be for the best interest of the state, and all moneys received for
10 the lease of such lands shall be paid to the department of natural
11 resources((~~:- PROVIDED, That nothing in RCW 79.96.090 through 79.96.110~~
12 ~~shall be construed as authorizing the lease of any tidelands which have~~
13 ~~heretofore, or which may hereafter, be set aside as~~)).

14 (2) Notwithstanding RCW 77.60.020, subsection (1) of this section,
15 or any other provision of state law, the state oyster reserves in Eld
16 Inlet, Hammersley Inlet, or Totten Inlet, situated in Mason or Thurston
17 counties((~~:- PROVIDED FURTHER, That any portion of Plat 138, Clifton's~~
18 ~~Oyster Reserve, which has already been vacated, may be leased by the~~
19 ~~department~~)) shall permanently be designated as state oyster reserve
20 lands.

21 **Sec. 5.** RCW 43.84.092 and 2000 2nd sp.s. c 4 s 5 are each amended
22 to read as follows:

23 (1) All earnings of investments of surplus balances in the state
24 treasury shall be deposited to the treasury income account, which
25 account is hereby established in the state treasury.

26 (2) The treasury income account shall be utilized to pay or receive
27 funds associated with federal programs as required by the federal cash
28 management improvement act of 1990. The treasury income account is
29 subject in all respects to chapter 43.88 RCW, but no appropriation is
30 required for refunds or allocations of interest earnings required by
31 the cash management improvement act. Refunds of interest to the
32 federal treasury required under the cash management improvement act
33 fall under RCW 43.88.180 and shall not require appropriation. The
34 office of financial management shall determine the amounts due to or
35 from the federal government pursuant to the cash management improvement
36 act. The office of financial management may direct transfers of funds
37 between accounts as deemed necessary to implement the provisions of the

1 cash management improvement act, and this subsection. Refunds or
2 allocations shall occur prior to the distributions of earnings set
3 forth in subsection (4) of this section.

4 (3) Except for the provisions of RCW 43.84.160, the treasury income
5 account may be utilized for the payment of purchased banking services
6 on behalf of treasury funds including, but not limited to, depository,
7 safekeeping, and disbursement functions for the state treasury and
8 affected state agencies. The treasury income account is subject in all
9 respects to chapter 43.88 RCW, but no appropriation is required for
10 payments to financial institutions. Payments shall occur prior to
11 distribution of earnings set forth in subsection (4) of this section.

12 (4) Monthly, the state treasurer shall distribute the earnings
13 credited to the treasury income account. The state treasurer shall
14 credit the general fund with all the earnings credited to the treasury
15 income account except:

16 (a) The following accounts and funds shall receive their
17 proportionate share of earnings based upon each account's and fund's
18 average daily balance for the period: The capitol building
19 construction account, the Cedar River channel construction and
20 operation account, the Central Washington University capital projects
21 account, the charitable, educational, penal and reformatory
22 institutions account, the common school construction fund, the county
23 criminal justice assistance account, the county sales and use tax
24 equalization account, the data processing building construction
25 account, the deferred compensation administrative account, the deferred
26 compensation principal account, the department of retirement systems
27 expense account, the drinking water assistance account, the Eastern
28 Washington University capital projects account, the education
29 construction fund, the emergency reserve fund, the federal forest
30 revolving account, the health services account, the public health
31 services account, the health system capacity account, the personal
32 health services account, the state higher education construction
33 account, the higher education construction account, the highway
34 infrastructure account, the industrial insurance premium refund
35 account, the judges' retirement account, the judicial retirement
36 administrative account, the judicial retirement principal account, the
37 local leasehold excise tax account, the local real estate excise tax
38 account, the local sales and use tax account, the medical aid account,
39 the mobile home park relocation fund, the multimodal transportation

1 account, the municipal criminal justice assistance account, the
2 municipal sales and use tax equalization account, the natural resources
3 deposit account, the oyster reserve land account, the perpetual
4 surveillance and maintenance account, the public employees' retirement
5 system plan 1 account, the public employees' retirement system plan 2
6 account, the Puyallup tribal settlement account, the resource
7 management cost account, the site closure account, the special wildlife
8 account, the state employees' insurance account, the state employees'
9 insurance reserve account, the state investment board expense account,
10 the state investment board commingled trust fund accounts, the
11 supplemental pension account, the teachers' retirement system plan 1
12 account, the teachers' retirement system combined plan 2 and plan 3
13 account, the tobacco prevention and control account, the tobacco
14 settlement account, the transportation infrastructure account, the
15 tuition recovery trust fund, the University of Washington bond
16 retirement fund, the University of Washington building account, the
17 volunteer fire fighters' and reserve officers' relief and pension
18 principal fund, the volunteer fire fighters' and reserve officers'
19 administrative fund, the Washington judicial retirement system account,
20 the Washington law enforcement officers' and fire fighters' system plan
21 1 retirement account, the Washington law enforcement officers' and fire
22 fighters' system plan 2 retirement account, the Washington school
23 employees' retirement system combined plan 2 and 3 account, the
24 Washington state health insurance pool account, the Washington state
25 patrol retirement account, the Washington State University building
26 account, the Washington State University bond retirement fund, the
27 water pollution control revolving fund, and the Western Washington
28 University capital projects account. Earnings derived from investing
29 balances of the agricultural permanent fund, the normal school
30 permanent fund, the permanent common school fund, the scientific
31 permanent fund, and the state university permanent fund shall be
32 allocated to their respective beneficiary accounts. All earnings to be
33 distributed under this subsection (4)(a) shall first be reduced by the
34 allocation to the state treasurer's service fund pursuant to RCW
35 43.08.190.

36 (b) The following accounts and funds shall receive eighty percent
37 of their proportionate share of earnings based upon each account's or
38 fund's average daily balance for the period: The aeronautics account,
39 the aircraft search and rescue account, the county arterial

1 preservation account, the department of licensing services account, the
2 essential rail assistance account, the ferry bond retirement fund, the
3 grade crossing protective fund, the high capacity transportation
4 account, the highway bond retirement fund, the highway safety account,
5 the motor vehicle fund, the motorcycle safety education account, the
6 pilotage account, the public transportation systems account, the Puget
7 Sound capital construction account, the Puget Sound ferry operations
8 account, the recreational vehicle account, the rural arterial trust
9 account, the safety and education account, the special category C
10 account, the state patrol highway account, the transportation equipment
11 fund, the transportation fund, the transportation improvement account,
12 the transportation improvement board bond retirement account, and the
13 urban arterial trust account.

14 (5) In conformance with Article II, section 37 of the state
15 Constitution, no treasury accounts or funds shall be allocated earnings
16 without the specific affirmative directive of this section.

17 **Sec. 6.** RCW 43.84.092 and 2000 2nd sp.s. c 4 s 6 are each amended
18 to read as follows:

19 (1) All earnings of investments of surplus balances in the state
20 treasury shall be deposited to the treasury income account, which
21 account is hereby established in the state treasury.

22 (2) The treasury income account shall be utilized to pay or receive
23 funds associated with federal programs as required by the federal cash
24 management improvement act of 1990. The treasury income account is
25 subject in all respects to chapter 43.88 RCW, but no appropriation is
26 required for refunds or allocations of interest earnings required by
27 the cash management improvement act. Refunds of interest to the
28 federal treasury required under the cash management improvement act
29 fall under RCW 43.88.180 and shall not require appropriation. The
30 office of financial management shall determine the amounts due to or
31 from the federal government pursuant to the cash management improvement
32 act. The office of financial management may direct transfers of funds
33 between accounts as deemed necessary to implement the provisions of the
34 cash management improvement act, and this subsection. Refunds or
35 allocations shall occur prior to the distributions of earnings set
36 forth in subsection (4) of this section.

37 (3) Except for the provisions of RCW 43.84.160, the treasury income
38 account may be utilized for the payment of purchased banking services

1 on behalf of treasury funds including, but not limited to, depository,
2 safekeeping, and disbursement functions for the state treasury and
3 affected state agencies. The treasury income account is subject in all
4 respects to chapter 43.88 RCW, but no appropriation is required for
5 payments to financial institutions. Payments shall occur prior to
6 distribution of earnings set forth in subsection (4) of this section.

7 (4) Monthly, the state treasurer shall distribute the earnings
8 credited to the treasury income account. The state treasurer shall
9 credit the general fund with all the earnings credited to the treasury
10 income account except:

11 (a) The following accounts and funds shall receive their
12 proportionate share of earnings based upon each account's and fund's
13 average daily balance for the period: The capitol building
14 construction account, the Cedar River channel construction and
15 operation account, the Central Washington University capital projects
16 account, the charitable, educational, penal and reformatory
17 institutions account, the common school construction fund, the county
18 criminal justice assistance account, the county sales and use tax
19 equalization account, the data processing building construction
20 account, the deferred compensation administrative account, the deferred
21 compensation principal account, the department of retirement systems
22 expense account, the drinking water assistance account, the Eastern
23 Washington University capital projects account, the education
24 construction fund, the emergency reserve fund, the federal forest
25 revolving account, the health services account, the public health
26 services account, the health system capacity account, the personal
27 health services account, the state higher education construction
28 account, the higher education construction account, the highway
29 infrastructure account, the industrial insurance premium refund
30 account, the judges' retirement account, the judicial retirement
31 administrative account, the judicial retirement principal account, the
32 local leasehold excise tax account, the local real estate excise tax
33 account, the local sales and use tax account, the medical aid account,
34 the mobile home park relocation fund, the multimodal transportation
35 account, the municipal criminal justice assistance account, the
36 municipal sales and use tax equalization account, the natural resources
37 deposit account, the oyster reserve land account, the perpetual
38 surveillance and maintenance account, the public employees' retirement
39 system plan 1 account, the public employees' retirement system combined

plan 2 and plan 3 account, the Puyallup tribal settlement account, the resource management cost account, the site closure account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the supplemental pension account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the transportation infrastructure account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer fire fighters' and reserve officers' relief and pension principal fund, the volunteer fire fighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and fire fighters' system plan 1 retirement account, the Washington law enforcement officers' and fire fighters' system plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts. All earnings to be distributed under this subsection (4)(a) shall first be reduced by the allocation to the state treasurer's service fund pursuant to RCW 43.08.190.

(b) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the county arterial preservation account, the department of licensing services account, the essential rail assistance account, the ferry bond retirement fund, the grade crossing protective fund, the high capacity transportation account, the highway bond retirement fund, the highway safety account, the motor vehicle fund, the motorcycle safety education account, the

1 pilotage account, the public transportation systems account, the Puget
2 Sound capital construction account, the Puget Sound ferry operations
3 account, the recreational vehicle account, the rural arterial trust
4 account, the safety and education account, the special category C
5 account, the state patrol highway account, the transportation equipment
6 fund, the transportation fund, the transportation improvement account,
7 the transportation improvement board bond retirement account, and the
8 urban arterial trust account.

9 (5) In conformance with Article II, section 37 of the state
10 Constitution, no treasury accounts or funds shall be allocated earnings
11 without the specific affirmative directive of this section.

12 NEW SECTION. **Sec. 7.** Section 5 of this act expires March 1, 2002.

13 NEW SECTION. **Sec. 8.** Section 6 of this act takes effect March 1,
14 2002."

15 **E2SHB 1658** - S COMM AMD

16 By Committee on Natural Resources, Parks & Shorelines

17 ADOPTED 04/11/01

18 On page 1, line 1 of the title, after "lands;" strike the remainder
19 of the title and insert "amending RCW 79.96.110, 43.84.092, and
20 43.84.092; adding new sections to chapter 77.60 RCW; adding a new
21 section to chapter 90.71 RCW; providing an effective date; and
22 providing an expiration date."

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